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MAY 18, 1964

OUR TWO-WAY TRADE WITH THE EEC

RED CHINA'S SALES TO JAPAN INCREASE

EXPORT PROSPECTS FOR ARGENTINE BEEF

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

MAY 18, 1964

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U.S. feed grain expert, right, describes model feed lot to Italian farmers, at Milan Trade Center Agriculture Exhibit. U.S. agricultural products will be shown at various international trade fairs this summer.

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Our Two-Way Trade With the European Economic Community

DEPOSITED BY THE
UNITED STATES OF AMERICA

U.S. trade officials, at the Kennedy Round of GATT negotiations, are exploring all possibilities for expanding our farm exports to the EEC.

Total trade between the United States and the European Community has been expanding—a tribute to determined efforts on both sides of the Atlantic to promote the freer interchange of goods.

U. S. and EEC negotiators will be studying export-import trends and the commodity composition of EEC-U. S. trade during the Kennedy Round of negotiations now in progress at Geneva, Switzerland, under auspices of the General Agreement on Tariffs and Trade (GATT).

As the tables and charts on this and the next page show, the United States and the EEC export to each other about an equal volume of industrial goods. But U.S. exports of farm products to the EEC have been about five times as large as the EEC's farm shipments to us.

Because of the preponderance of industrial trade—and the existence of certain agricultural problems—the EEC has suggested that industrial and agricultural negotiations be handled separately in the Kennedy Round, that industrial goods be considered under "regular" GATT rules and agricultural products under special guidelines.

The United States rejects this proposal. The United States feels that industry-agriculture trade negotiations should be handled as a single "package." We argue that we cannot be internationally minded with respect to the industrial sectors of our economies and protectionist in the agriculture sectors. The two parts are closely linked economically, we say. Either both move forward toward liberal trade, or both are in danger of succumbing to protectionism.

The United States understands the agricultural problems of the European Economic Community and is sympathetic. Our approach to the agricultural phases of the Kennedy Round negotiations recognizes the difficulties the EEC faces in restructuring its agriculture and improving incomes of farmers.

Our approach, fundamentally, is as follows:

The United States wants to hold gains already made in trade bargaining. They are important gains. Approximately half of U. S. agricultural exports to the EEC—about $500 million worth, excluding cotton—enter duty-free, or on payment of fixed tariffs which were "bound" against increase at GATT conferences.

United States and European Economic Community Trade[1]

U.S. merchandise *exports* to EEC:

Agricultural:	*Mil. dol.*
Wheat and flour	56.2
Feed grains	317.5
Dairy products	3.6
Cattle and beef	5.1
Hogs and pork	0.3
Poultry and eggs	54.6
Fruits and vegetables	91.4
Lard and tallow	28.2
Cotton, unmfd.	111.6
Tobacco, unmfd.	105.5
Soybeans	162.3
Vegetable oils, expressed	13.2
Food for relief or charity	14.6
Other	186.6
Total agricultural	1,150.7
Nonagricultural	
Machinery and vehicles (incl. aircraft)	976.1
Chemicals and related products	389.8
Metals and metal manufactures	298.8
Nonmetallic minerals (incl. coal and petroleum prods.)	260.1
Textiles (excl. unmfd. cotton and wool)	109.6
Wood and paper goods	125.3
Rubber goods	75.9
Scientific and professional instruments	27.2
Photographic goods	25.3
Other	140.9
Total nonagricultural	2,429.0
Total U.S. merchandise exports to the EEC	3,579.7

U.S. merchandise *imports* from EEC:

Agricultural:	*Mil. dol.*
Dairy products	19.5
Hogs and pork	33.4
Fruits and vegetables	26.1
Vegetable oils, expressed	14.8
Gelatin, edible	2.7
Wines	43.7
Nursery and greenhouse stock	12.6
Essential oils	5.9
Wool, unmfd.	5.4
Cocoa and chocolate	11.0
Malt liquors	10.0
Hops	2.3
Other	44.7
Total agricultural	232.1
Nonagricultural	
Machinery and vehicles (incl. aircraft)	673.9
Metals and manufacturers	436.9
Textile fibers and manufacturers	268.3
Chemicals and related products	141.5
Art works and antiques	74.3
Photographic goods	51.2
Scientific and professional instruments	24.4
Other	535.4
Total nonagricultural	2,205.9
Total U.S. merchandise imports from EEC	2,438.0

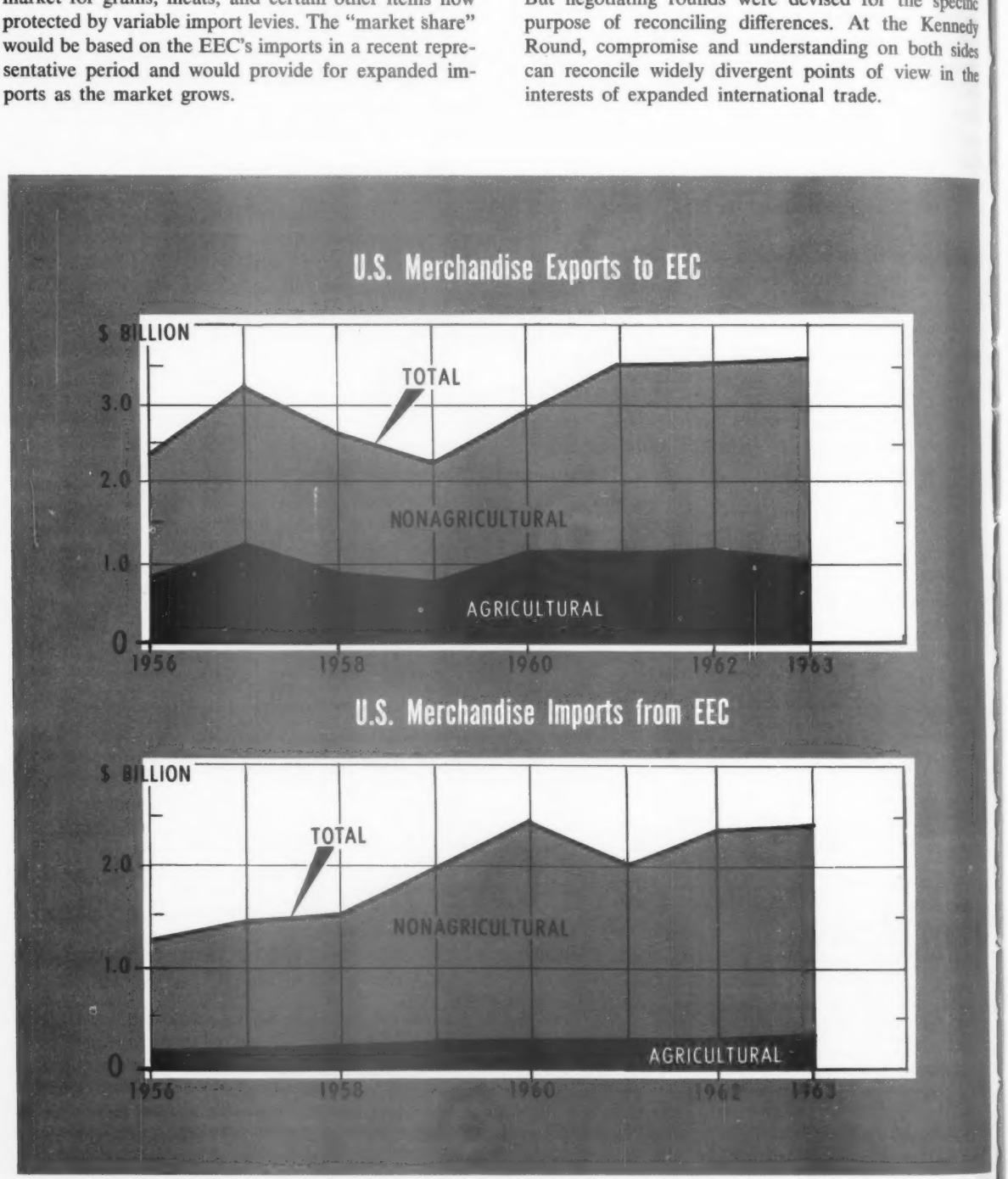
[1] For calendar year 1962, last period in which imports and exports were listed in comparable categories.

We want to continue "zero duty bindings"—and to reduce other fixed import duties through use of traditional negotiating methods. We propose to use the flexible authority of the Trade Expansion Act of 1962 in seeking reductions.

The United States is willing to try new approaches, however, if they show any promise of expanding trade. For example, we have suggested "market sharing" as a means of giving farmers of the EEC and other supplying countries equitable access to the expanding EEC market for grains, meats, and certain other items now protected by variable import levies. The "market share" would be based on the EEC's imports in a recent representative period and would provide for expanded imports as the market grows.

The United States will continue to study new approaches to trade liberalization. Christian A. Herter, Special Representative for Trade Negotiations, said recently, "Our approach to agricultural trade is pragmatic rather than dogmatic. Indeed, we have come to the conclusion that the spectrum of products and problems is so wide that no single formula will work." Mr. Herter added, "The overall result is what counts for us."

U. S. negotiators will have their hands full at the Geneva meeting in driving agricultural trade bargains. But negotiating rounds were devised for the specific purpose of reconciling differences. At the Kennedy Round, compromise and understanding on both sides can reconcile widely divergent points of view in the interests of expanded international trade.



Mainland China Selling More Farm Products to Japan

By CLYDE R. KEATON
Assistant U.S. Agricultural Attaché, Tokyo

A potential U.S. competitor is arising in the Japanese market in the form of Mainland China—a country which in recent years has made sharp gains in farm exports to Japan.

Like the United States, China relies on Japan as a major outlet for its agricultural exports, and similarly, it counts soybeans as a leading money-earner there. Together, the United States and Mainland China supply virtually all Japan's soybean imports.

In recent years, Japan's takings of Chinese soybeans have risen sharply—from 5,000 bushels in 1960 to 8.3 million in 1963. Compared with Japanese imports from the United States in 1963 of 48 million bushels, this seems moderate; yet in coming years, China's beans may limit U.S. gains in the Japanese soybean market.

China is also becoming more competitive in its shipments of corn to Japan. This year Japan made its first sizable purchase in recent years of Chinese corn—150,000 metric tons—and it may buy around 100,000 more before the year's end. By comparison, U.S. shipments of corn to Japan totaled 891,154 tons in 1962-63.

Exports of other Chinese products to Japan have likewise increased, though they remain small by U.S. standards and will have little effect on U.S. trade. Through a concerted effort to sell to Japan the maximum quantity of its exportable supplies, China has been able to up shipments of chestnuts, peanuts, dried beans, and peas.

Past trading partners

Before World War II, when Japan imported about 20 percent of its total food needs, a major source of its agricultural imports was China. These imports included soybeans, soybean cake (used as fertilizer), corn, barley, dried peas, fruits, and livestock.

Soybeans then constituted by far China's most important export to Japan; purchases averaged around 22 million bushels a year. After a postwar decline, they began a slow recovery, rising to 7.3 million bushels in 1957. Then, in 1959 they dropped to zero, following the virtual severance of trade relations between the two countries brought on by the Nagasaki "flag incident."

This curtailment of trade with Japan was short-lived, and in November 1962 a private Japanese trade mission headed by the late member of the Liberal Democratic Party Diet, Tatsunosuke Takasaki, went to Peiping to negotiate a long-term trade program with Liao Ch'eng-chin, Chairman of the Afro-Asian Solidarity Committee of Communist China. The result was a 5-year program calling for the purchase by Japan of 25.7 million bushels of Chinese soybeans and other agricultural products. This program has been an effective vehicle for expanding the Japanese market for Chinese soybeans. Shipments in 1963 —first year of the agremeent—totaled 8.3 million bushels, valued at $24 million, c.i.f., or 32 percent of Japan's total imports from China. In the next 5 years, imports of Chinese soybeans are expected to double.

Also, for the first time since 1955, China is holding trade fairs in Japan to promote soybeans and other farm products. The first fair was held in Tokyo on April 30, at which time 10 varieties of Chinese soybeans were displayed. The second is to be held in Osaka in June.

Thus far, the increase in China's soybean exports has had only a limited effect on U.S. soybean sales, owing to the lower oil content of the Chinese soybeans. Through this year, practically all of the imports from China have been used in the production of miso—soy paste—which accounts for only about 8 percent of commercial utilization. Now, however, the soybean crushing industry—which accounts for 67 percent of utilization and which heretofore used mainly U.S. soybeans—has become interested in the Chinese product.

During Japan's October-November negotiations with China last year, the Japanese crushing industry was represented for the first time, and a recent drop in the price of the Chinese beans has aroused their interest even further. Current reports are that the Chinese soybeans are priced about $10 lower per ton than U.S. beans compared with last fall's difference of $5 to $7 per ton.

Also, China is attempting to increase the oil content of its soybeans. There are reports that some Chinese experimental plots grow varieties with an oil content well above that of U.S. beans.

Rise in other products

Chinese shipments of dried peas and beans, pulses,

Chinese soybeans stored for export

chestnuts, edible peanuts, and corn to Japan are likewise increasing.

Japanese takings of dried peas and beans from China, which rose to 485,000 bags (of 100 lb.) in 1963 from 265,000 in 1961, are expected to rise further. Imports of pulses have been set at between 551,000 and 661,000 bags in 1964, of which a minimum of 419,000 will be under the long-term agreement.

Japanese imports of chestnuts from China totaled 5,500 short tons in 1963, slightly below the previous year's but almost double 1961's. Its takings of edible peanuts amounted to 2,726 short tons in 1963, about double those in 1962; a further increase is forecast for this year.

Discussions on corn purchases have taken place between Japanese and Chinese trade teams in the past 2 years. The 1964 trade plan calls for the importation of 250,000 tons of corn from China. This compares with only 18,657 in 1963 and even less in 1962.

Rice—once a large foreign exchange earner for China—may be imported if China's production returns to normal. It has been reported that China recently offered Japan 2,866,000 hundredweight of rice through private firms for early delivery.

A country to watch

Though it has a long way to go before substantially denting U.S. markets in Japan, Mainland China represents a potential threat.

Recently, China has been diverting its trade from the Soviet Bloc to Japan and other Free World countries. This change stems partly from Sino-Soviet differences and partly from the advantages of trading with Japan: A plentiful supply of freight, low freight costs, no limit on the size of cargo shipped, and a short delivery period. Also, Japan is a receptive customer, since China is a large potential market for industrial goods.

These factors, plus the huge potential market in Japan for China's leading export—soybeans—help explain China's aggressive efforts to expand shipments of farm products to the Japanese market.

Argentine Beef Exports To Decline as Ranchers Rebuild Herds

After 3 years of relatively heavy slaughter due partly to high export demand and partly to drought, Argentine cattlemen are holding back stock deliveries in order to build up herds. For Argentina's meat customers in Western Europe, this cutback means less beef from a traditional supplier; for Argentine citizens, it means paying an inflated price for a dietary staple.

Bad grazing conditions in 1961, which started the run on Argentine beef slaughter, continued through 1963—with production and exports showing the greatest gains in 1963. High meat prices and strong demand attracted unusually heavy Argentine beef shipments to Western Europe.

European demand has not slackened in 1964, but as Argentine herd rebuilding proceeds, reduced exports can be anticipated until builtup herds turn out greater numbers of finished animals—possibly not until the end of next year. Supplies for domestic consumption will probably take priority over exports unless the government takes measures to control consumption or unless the exchange rate for the peso weakens.

Slaughter falls off

Cattle sales at Liniers market in Buenos Aires are already showing the effects of the stock withdrawal. Total sales for the first 3 months of 1964 were 27 percent below a year earlier, and deliveries of breeding stock—cows, heifers, and calves—were only about half of what they were for the first quarter of 1963. Deliveries of finished steers were about the same.

As a result, Argentine beef prices are booming. From October through March 1964, cattle prices increased 60 to 70 percent. Fat steer prices in early April hit a record of about 15 U.S. cents per pound; and average wholesale beef prices had risen 50 percent by February 1964.

Despite the price increase, consumption in greater Buenos Aires during the first 2 months of 1964 was only slightly below that of a year earlier—reflecting an Argentine propensity to buy beef at almost any price.

On the other hand, exports of chilled beef during the same period were 28 percent below a year earlier, although frozen beef showed a substantial increase with large shipments going to West Germany and Italy. (Shipments of frozen beef, however, probably included some carryover stocks from last year.) The unusually high prices offered in Western Europe have also helped maintain frozen beef exports during the early months of 1964.

Looking ahead to 1964 and 1965, the volume of beef exports is expected to be greatly curtailed. The sharp rise in domestic prices without a concurrent rise in the foreign exchange rate makes the domestic market more attractive than the export market, and exporters are finding it difficult to ship meat abroad at a profit.

Restricting domestic consumption

Since about 80 percent of Argentina's beef is consumed locally, the government could maintain exports at a reasonable level by adopting some measures to restrict domestic consumption—such as instituting meatless days. This is difficult for political reasons and also contrary to the present government's policy of protecting supplies for domestic consumers.

Government efforts to control exports and domestic prices have likewise met with little success. An attempt to persuade private packers to supply 15 percent of their slaughter at cost to the Municipality was dropped after various objections. Price controls have also been considered, but would likely lead to Black Market abuses and tend to discourage producers from rebuilding their herds, which is the long-run solution. An export quota was announced in late 1963, but details were never specified and exports apparently were not affected. And currently, resumption of a tax on beef exports is being discussed.

In the midst of this indecision, fears have been voiced that when Argentina again has abundant supplies of beef on hand, it will be in a weaker position in trade negotiations for meat, after having supplied a smaller share of the British and other European countries' markets.

—QUENTIN R. BATES
U.S. Agricultural Attaché, Buenos Aires

U.S. Exporters Urged To Capitalize on Interest Stirred in U.S. Hides, Fruits at Tokyo Center

U.S. exporters of hides and skins, fruits and fruit products are being encouraged to follow up on trade contacts made at the successful U.S. Leather and Fruit Shows, presented at the Tokyo Trade Center during February and March.

According to the U.S. Agricultural Attaché in Tokyo, contacts with Japanese trade interests at the two shows exceeded 5,000, including representatives of every major Japanese concern which imports or utilizes leather and fruit products.

This response—considered exceptional for commercial trade shows open by invitation only—points to expanded sales of U.S. hides and skins, and fruit and fruit products, to Japan. The country is already No. 1 buyer of U.S. hides—taking four times more than our next best customer—and could become a leading buyer of U.S. fruit products if import restrictions were eased.

Both shows, while aimed primarily at trade interests, included features which garnered nationwide, consumer-oriented publicity through the Japanese press, TV, and radio. According to the attaché's report, over 125 articles have been carried to date on the two Trade Center shows, plus special features over radio and television.

The Leather Show (February 25-March 6), sponsored by the U.S. Western States Meat Packers Association and the All Japan Leather Association, drew more than 2,700 importers, retailers, leather manufacturers, and tanners. Exhibits, fashion parades, movies, and talks were successfully used to demonstrate both the quality of U.S. hides and skins and the advantages of genuine leather products.

Drawing extensive comment from the Japanese trade was the hour-long fashion show of U.S.-Japanese leather apparel, presented daily during special morning programs. According to spokesmen for one of Japan's leading design salons, "We believed leather was only for sportswear; the items modeled here—like leather evening gowns—show our concept outdated."

A Japanese leather manufacturer said the Trade Center show had given him new ideas applicable to his business—also predicted Japanese leather sales would increase as a result.

A tanner commented that movies on the U.S. leather industry revealed the Japanese can benefit from American processing techniques for leather. These films have been made available to Japan's leather industry.

The U.S. Fruit Show (March 17-28) reportedly helped stimulate interest in U.S. fruit and fruit products by emphasizing their quality, versatility, and variety. For the 2,500 Japanese tradesmen attending (including press and preview opening, 4,000), the show was an opportunity to inspect the types of fruit the United States exports, and to meet with U.S. exporters and their Japanese agents.

Enthusiastic reception — by both the Japanese trade and publicity media —met the special morning programs, which featured U.S. fruit dishes demonstrated by the President of the Hawaiian Chefs Association.

A Japanese confectionery manufacturer said he derived "ideas for new uses for U.S. fruit in his business." A leading fruit wholesaler in Japan called the show "a highly effective promotion of American fruit."

The 15 U.S. firms which exhibited fruit products agreed their exports to Japan would increase as a result of the show. They reported on-the-spot sales of more than $45,000.

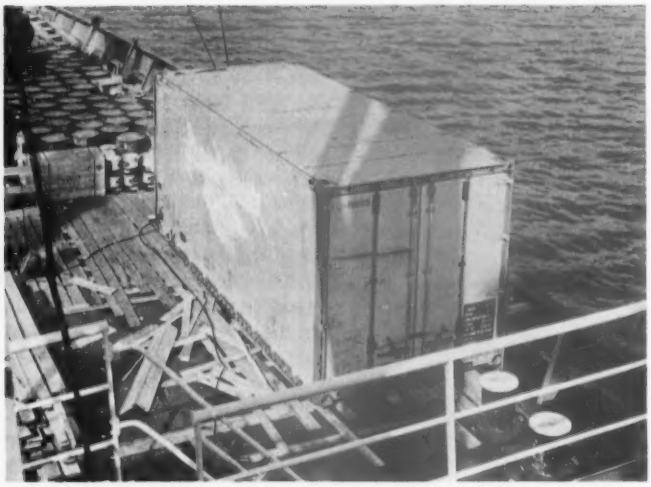
International Cotton Committee Meets in Frankfurt End of May

The 23rd annual meeting of the International Cotton Advisory Committee will be held in Frankfurt, Germany, May 26-June 10. The first 4 days will be devoted to meetings of special committees concerned with promotion, production research, and extra long staple cotton. Regular plenary sessions will run June 1-10.

Formed in 1945, the Committee is made up of representatives from 40 countries involved in the production, export, import, and consumption of cotton. Its purpose is to exchange information and to promote cooperation in an industry that annually exports some 17 million bales.

Expected to arouse considerable interest among those attending the Frankfurt meeting is the recent (April 11) elimination by the United States of its two-price system under which U.S. mills paid 8½¢ more per pound for U.S. cotton than importers.

Last year the ICAC met in Bangalore, Mysore, India. Delegates met in Mysore's Legislative Chamber with the Maharaja's box used for simultaneous translation.



For the 10-day voyage between New York and London, the vegetables were in this refrigerated car with temperature carefully maintained at 35° to 40° F.

Experimental Shipment Tests U.K. Market For U.S. Vegetables

A trial shipment of U.S. vegetables to the United Kingdom last month may pave the way for further sales to this growing market during the February-April period when fresh vegetable stocks, and imports from closer sources, are at low ebb.

According to Assistant U.S. Agricultural Attaché Walter A. Stern, who was at dockside to inspect the shipment upon its arrival, the shipment was fully marketable, as was proven 2 days later when the consignment went on sale at a big London supermarket.

In the shipment were celery, radishes, sweet corn, bell peppers, parsnips, and avocados. Packed in wirebound wooden crates and fiberboard cartons, the shipment crossed the ocean in a refrigerated (35°-40° F.), piggy-back car in 10 days.

The test shipment showed that U.S. vegetables of good quality, properly graded and packaged, could find a ready market in the United Kingdom, where the taste for salad-type vegetables is mounting—and vegetable imports are completely liberalized. The trend toward higher consumption of fresh vegetables in northern Europe, while behind the United Kingdom's, is also rising.

The test showed, too, that further research is needed on packaging and temperature control. Individual shipments might well be confined to products needing the same degree of refrigeration. Also, some crates were splintered, damaging some of the vegetables.

Above, Agricultural Attaché Stern inspects condition of packaging and vegetables as they are unloaded at dockside. Below, on sale at a London supermarket.

Markets Assured for Next Two Canadian Wheat Crops

The Canadian Trade Minister recently stated that long-term contracts with Communist countries and normal takings by regular customers would assure the disposal of two good average Canadian wheat crops. He also said that shipments to Russia under last year's contract are ahead of schedule and should be completed by the July 31 contract date and that the Wheat Board is negotiating new wheat sales to Russia.

Ceylon's Rice Imports Decline

Ceylon's imports of rice in 1963 were down 2 percent from those in 1962. Major changes included a gain in takings from Communist China and Egypt and a sharp reduction in those from Thailand.

Ceylon received 10,000 tons from South Vietnam in 1963 compared with none the previous year. It also received its first rice from Pakistan since 1960—20,000 metric tons. This is well above the 1956-60 average of 2,000.

Ceylon produced a record 714,000 metric tons of milled rice in 1963—17,000 tons more than in 1962, and sharply above the 1956-60 average of approximately 500,000 tons. Along with the steady rise in production, domestic consumption is also increasing, by between 25,000 and 30,000 tons a year.

Contracts for 1964 call for the importation of 500,000 metric tons of milled rice from traditional suppliers. Included are Burma with 250,000; Communist China with 200,000 under the annual rubber-rice contract; and Thailand with 50,000.

CEYLON'S IMPORTS OF MILLED RICE, 1963 WITH COMPARISONS

Country of origin	Average 1956-60	1961	1962	1963
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Burma	236	363	346	175
China, Communist	237	28	29	[1]165
Egypt	5	0	1	14
South Vietnam	6	24	0	10
Thailand	17	44	35	19
Other countries	21	10	0	[2]20
Total	522	469	411	403

[1] May partly be financed by Communist China and imported from Burma: [2] From Pakistan.

Ceylon Customs Returns.

Australia Sells More Wheat to Mainland China

The Australian Wheat Board has announced the sale of an additional 21 million bushels of wheat to Mainland China. The wheat, valued at between $34.7 and $37 million, came from the 1963-64 crop and includes 8 million bushels of off-grade wheat. Total Chinese Communist purchases of Australian wheat this season are now 62 million bushels.

Credit terms were unchanged from Australia's other recent sales to Mainland China—10 percent cash, 20 percent in 6 months, another 20 percent in 9 months, and the balance in 1 year from date of the bill of lading.

According to the Chairman of the Wheat Board, Mr. J. V. Moroney, the entire exportable wheat surplus for the 1963-64 crop has been committed with the possible exception of a small volume which may become available later in the marketing year.

U.S. Imports of Cattle Drop Sharply

U.S. cattle imports from both Canada and Mexico declined sharply in the early months of 1964.

Imports of dutiable cattle from Mexico in January-March were about half the 254,628 head for the same months of 1963. Supplies of cattle for export are plentiful, but the lack of demand is holding down shipments. U.S. buyers are offering only 20 to 29 cents per pound for feeder steers compared with 26 to 35 cents last year.

Canadian sources report that Canada's exports of cattle to the United States in the first 3½ months of 1964 were less than half the number shipped in the same period of 1963. This indicates that U.S. imports of dutiable cattle from Canada in January-April will be about 36,000 head compared with 72,579 in the first 4 months of 1964.

New Zealand To Open Meat Promotion Office in Japan

The New Zealand Meat Producers' Board has decided to establish a permanent office in Tokyo to promote sales of New Zealand meat products in Japan. The Board has been conducting a promotion campaign for mutton there during the past 4 years.

Japan has become the largest overseas market for New Zealand mutton and offers good prospects for taking increasing quantities of lamb and beef. The Tokyo office will also be used to serve Meat Board interests in other nearby markets such as Hong Kong.

U.S. Exports of Livestock Products Increased

U.S. exports of animal fats, red meats, hides, and cattle during the first 2 months of 1964 were all sharply above those in the 1963 period. Shipments of natural casings and mohair, however, were lower.

Lard exports in January-February reached 115 million pounds, more than double the amount shipped in the same period last year. Nearly 90 million pounds of the total went to the United Kingdom, whose increased purchases this year have accounted for most of the rise.

Tallow and grease exports, at 331 million pounds, were up more than 50 percent. About one-fourth of the total went to Common Market countries, which took nearly twice as much as they did in January-February 1963. Yugoslavia, Poland, Turkey, Pakistan, and Japan also took larger amounts.

Red meat exports through February were double the previous year's because of the sharp rise in shipments of pork to Japan and Western Europe.

Exports of hides and skins were up sharply from the previous year. Attractive U.S. prices and reduced Argentine supplies spurred the rise.

Exports of mohair continued to trail those in the early months of 1963. One reason for this is that the domestic textile industry is taking a larger portion of the domestic

clip as mohair's popularity continues strong in the United States.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
(Product weight basis)

Item	February		Jan.-Feb.	
	1963	1964	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	37,551	52,304	56,606	115,020
Inedible tallow and greases [1]	140,264	162,824	214,936	331,425
Edible tallow and greases [2]	678	1,211	965	2,138
Meat:				
Beef and veal	1,997	2,067	3,920	5,525
Pork	10,819	18,513	18,669	41,427
Lamb and mutton	54	165	192	267
Sausage:				
Except canned	117	168	174	340
Canned	59	102	71	179
Baby food, canned	90	70	145	96
Other canned meats	146	95	165	203
Total red meat	13,282	21,180	23,336	48,037
Variety meat	16,940	17,369	23,064	33,941
Sausage casings:				
Hog	1,363	982	2,091	1,948
Other natural	323	395	592	597
Mohair	1,767	219	2,776	413
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	625	903	1,007	1,691
Calf	170	212	202	440
Kip	19	21	27	49
Sheep and lamb	307	241	393	536
	Number	*Number*	*Number*	*Number*
Live cattle [3]	1,832	2,254	2,624	4,574

[1] Includes inedible tallow, greases, fats and oils, oleic acid or red oil, and stearic acid. [2] Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, animal fat, excluding lard. [3] Mostly cattle for breeding.

Italian Imports of Oilseeds and Oil Rise

Italian imports of *oil-bearing materials* in 1963, at over 743,000 metric tons, were up by 18 percent from 1962's and by nearly one-half from 1961's. This increase reflected smaller domestic production of rapeseed and grapeseed as well as a sharply reduced olive oil outturn in 1962-63.

On an oil-equivalent basis, 1963 imports of oil-bearing materials rose by 30 percent. This was largely the result of increased takings of peanuts, sunflowerseed, and sesameseed, which have higher oil-extraction rates than soybeans.

Soybean imports, mainly from the United States, declined, accounting for 45 percent of the total imports compared with 54 percent in 1962. Peanut imports, largely from Nigeria, Gambia, and Sudan, were more than double those in 1962 and accounted for four-fifths of the net increase. Imports of sunflowerseed, virtually all of which were from Bulgaria, also increased sharply. Partly offsetting these gains, however, were sharp declines in takings of rapeseed from Canada and flaxseed from Ethiopia and Brazil.

Vegetable oil imports in 1963 gained by more than 10 percent from the previous year. This increase is primarily due to heavy imports of olive oil from Spain because of reduced domestic supplies. Italy's imports of olive oil in 1964, however, are expected to drop sharply as a consequence of the record outturn from 1963-crop olives.

Aggregate imports of *oil-bearing materials* and *vegetable oil* in 1963, in terms of oil, increased by about 73,600 tons from the previous year, while exports declined by 4,200. In the same period, however, domestic production of oilseeds (oil basis) and pressed olive oil declined by 3,300 tons and 93,500 tons respectively. Thus, apparent domestic utilization dropped by roughly 19,000 tons, oil basis. The decline was probably due largely to the reduced supplies of 1962-63 olive oil, coupled with some consumer reluctance to accept other edible vegetable oils in substitution.

ITALIAN IMPORTS OF SELECTED OIL-BEARING MATERIALS AND VEGETABLE OILS, 1960-63

Item	1960	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Oil-bearing materials:				
Cottonseed	605	38	529	343
Peanuts [1]	56,189	73,385	80,992	173,333
Soybeans	213,713	204,646	337,301	334,795
Sunflowerseed	54,020	93,155	32,225	62,176
Rapeseed	39,174	64,854	103,364	91,034
Sesameseed	25,712	19,765	20,687	32,507
Mustardseed	76	128	313	216
Poppyseed	26	348	(2)	(2)
Hempseed	1,046	474	460	515
Copra	21,774	19,443	23,717	27,457
Palm kernels	1,256	254	300	473
Flaxseed	15,204	13,009	14,029	4,333
Castorbeans	9,747	9,436	9,464	11,672
Others	1,589	2,896	4,840	4,384
Total	440,131	501,831	628,221	743,238
Oil equivalent	127,573	156,443	178,803	232,756
Vegetable oils:				
Cottonseed	76	204	30	8
Peanut	901	85	905	1,580
Soybean	16,000	10,389	2,146	3,108
Sunflower [3]	1,433	1,873	136	3,823
Rapeseed	22,620	824	1,674	1,001
Sesame	69	24	14	49
Olive [4]	128,042	98,739	112,230	128,371
Coconut	33,874	28,485	17,786	15,349
Palm	31,016	24,756	25,525	27,955
Palm kernel	—	—	7,765	7,011
Linseed	18,106	15,816	15,978	16,468
Castor	213	72	117	148
Tung	1,436	1,474	1,595	1,470
Others	710	664	892	72
Total	254,496	183,405	186,793	206,413
Grand total, oil equivalent	382,069	339,848	365,596	439,169

[1] Shelled basis. [2] Not separately classified. [3] Includes corn oil. [4] Excludes sulfur oil. [5] Includes some illipe and palm oil.
Italian Central Institute of Statistics.

Argentine Sunflowerseed Crop Up Slightly

Argentina's 1963-64 sunflowerseed crop, according to the first official estimate, is placed at 523,600 short tons—up only 3 percent from last year's reduced level of 509,300 short tons.

This increase reflects the expectation that larger yields will more than overcome the reduction in sown area to 2.1 million acres in 1964 compared with about 2.4 million in 1963. The average yield in 1964 is placed at around 500 pounds per acre, about one-sixth above the reduced level of 1963 but 8 percent below the average for the 1955-59 period.

Argentine producer prices for sunflowerseed continue to be well above the support level and could encourage a sharp recovery in sunflowerseed acerage for 1964-65.

Argentine Production of Fishmeal

Fishmeal production from ocean fish in 1963 totaled 6,636 metric tons, more than double the 1962 output of 3,247 tons. The industry, concentrated in Mar del Plata, is comprised of four fishmeal plants with a reported capacity of 20,000 tons. Fishmeal production from river species (shad) in 1963 is estimated at 1,500 tons compared with the 1962 figure of 1,274.

Brazilian Tung Oil Outturn To Increase

Outturn of Brazil's tung oil this year is expected to rise somewhat from the 1963 level as a result of an increase estimated for the nut crop to be harvested from May through July. Area planted to tung trees continues to increase slightly.

Exports have accounted for the bulk of the Brazilian tung oil outturn, since domestic industrial use is relatively small. In recent years—largely to the United States and the Netherlands—exports have fluctuated widely. Despite increased production, exports in 1964 are expected to decline from the relatively high level of 1963, reflecting reduced supplies.

BRAZIL: TUNG NUT ACREAGE, PRODUCTION, STOCKS AND CRUSHINGS; TUNG OIL PRODUCTION AND EXPORTS

Item	Unit	1961	1962	1963	Forecast 1964
Planted area	1,000 acres	12.7	13.1	13.1	13.2
Tung nuts:					
Production	1,000 short tons	11.2	10.5	10.1	11.2
Stocks, January 1	do.	1.9	.1	.6	0
Seed and waste	do.	3.9	3.4	3.0	3.0
Crushings	do.	9.1	6.6	7.7	8.2
Extraction rate	Percent	17.6	16.7	16.9	17.0
Tung oil:					
Production	1,000 short tons	1.6	1.1	1.3	1.4
Exports:					
United States	do.	309	61	827	
Netherlands	do.	—	110	604	
Spain	do.	275	—	—	1,300
United Kingdom	do.	669	—	—	
Others	do.	11	—	211	
Total exports	do.	1,264	171	1,642	1,300

Official and other sources.

Spain's Olive Oil Exports Up Sharply

Spanish exports of olive oil, both in cases and drums, in the first 5 months of the current marketing year (November-March) totaled 61,459 metric tons compared with 15,212 and 40,544, respectively, in the comparable periods of 1962-63 and 1961-62 (*Foreign Agriculture*, April 13, 1964). This reflects the abundant 1963-64 outturn.

Exports in March, however, at 11,227 tons, were below the 17,770 tons of February. Principal destinations for March exports, together with their approximate takings, were Italy 5,700 tons, the United States 2,200, Australia 600, and France 500. More than 80 percent of the total was in drums.

Netherlands' Whale Oil Output

The Netherlands whaling expedition caught 343 Blue Whale Units during the 1963-64 Antarctic pelagic whaling season, 200 BWU short of the maximum number permitted the Netherlands under the International Whaling Agreement.

Production of baleen and sperm oil is preliminarily reported at 8,847 and 2,842 short tons, respectively, compared with 11,790 and 3,278 in 1962-63.

Argentina Exports Less Sunflower Oil

Sunflowerseed oil exports from Argentina in calendar 1963 at 3,851 short tons were the smallest in recent years, declining sharply from 10,601 tons in 1962 and 34,159 in 1961. This decline reflects a drastically reduced seed harvest in the spring of 1963. Destinations and quantities for 1963, with 1962 figures in parentheses, were the Netherlands 2,714 short tons (9,113), Italy 754 (—), West Germany 220 (1,440), and the United States 163 (44).

In 1964, Argentina's exports of sunflowerseed oil probably will not be large, owing to a slight decline in output caused by reduced carryover stocks of sunflowerseeds. However, total edible oil production this year is expected to be about the same as last year's, as the reduction in sunflower oil will be offset by a slight increase in peanut oil.

Danish Oilseed Seedings Increase

Aggregate Danish oilseed seedings, according to preliminary data on acreage contracted as of March 1, 1964, will increase moderately from those in 1963. Expansion of acreage in spring rapeseed, which accounted for most of the rise, was partly offset by declines in mustardseed and flaxseed areas.

DANISH OILSEED AREA CONTRACTED AND FINAL PLANTINGS, 1962 AND 1963

Oilseed	Total area contracted— Mar. 1, 1963	Mar. 1 1964	Change in 1964 area contracted	Final plantings 1963	1964
	1,000 acres	*1,000 acres*	*Percent*	*1,000 acres*	*1,000 acres*
Winter rapeseed	15.7	17.2	+ 9	20.4	47.6
Spring rapeseed	12.7	20.3	+60	18.1	16.1
Mustardseed	11.3	4.8	—57	17.7	34.7
Flaxseed	0.7	0.5	—27	1.2	0.2
Total	40.4	42.8	+ 6	57.4	98.6

Gains in seedings of winter rapeseed during the fall of 1963 were only moderate owing to unfavorable weather and a delayed grain harvest. Consequently, a sharp rise in spring rapeseed acreage is indicated. Contracted rapeseed acreage (winter and spring) in 1964 is one-third above last year's, probably reflecting improved export demand and reduction of stocks.

Although a sharp decline is indicated for mustard area, additional contracts may have been signed after the reporting date.

Taiwan Sets Citronella Export Quota

The Taiwan Foreign Exchange and Trade Control Commission has set the 1964 export quota for citronella oil at 5.5 million pounds, the same level as in 1963. The export floor price is currently fixed at 95 U.S. cents per pound, f.o.b. Keelung.

Taiwan is the largest citronella oil producer, accounting for nearly two-thirds of world market requirements. Production in 1963 was estimated at about 6 million pounds, 1 million more than in the previous year.

U.S. imports of citronella oil during 1963 totaled 2.4 million pounds worth $3.3 million, of which 1.8 million pounds valued at $2.6 million came from Taiwan.

Mozambique's Oilseed Production and Exports Up

Mozambique's production and exports of oilseeds and their products in 1963 increased 7 and 3 percent, respectively, from a year earlier.

In value these exports in 1963 accounted for about 15 percent of total exports and 18 percent of all agricultural exports. The Republic of South Africa, the Scandinavian countries, and Portugal continue to be Mozambique's best

customers for oilseeds and vegetable oil products. Mozambique imports about 1,000 tons of cooking oil annually, mostly olive oil from Portugal.

MOZAMBIQUE: OIL-BEARING MATERIALS, OILS, OILSEED CAKE, PRODUCTION 1961-63

Item	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*
Oil-bearing materials:[1]			
Peanuts (shelled)	13,000	15,000	20,000
Cottonseed	75,000	70,000	74,000
Sunflowerseed	2,000	2,000	2,500
Sesameseed	2,500	4,000	3,000
Mafurraseed	4,000	4,000	6,000
Copra	65,000	65,000	65,000
Castorbeans	1,000	2,000	3,000
Tung nuts	1,000	1,000	1,500
Total	163,500	163,000	175,000
Vegetable oils:			
Edible	9,973	12,304	12,828
Industrial	5,519	5,336	7,413
Total	15,492	17,640	20,241
Oilseed cake	33,515	29,377	28,515
Total	212,507	210,017	223,756

[1] Revised.

Direcão dos Servicas de Economia e Estatística Geral and unofficial estimates.

MOZAMBIQUE: OIL-BEARING MATERIALS, OILSEED CAKE, EXPORTS 1961-63

Item	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*
Oil-bearing materials:			
Cottonseed	5,718	7,836	15,679
Peanuts (shelled)	375	149	—
Copra	60,070	52,794	46,433
Sesameseed	2,044	3,834	1,367
Castorbeans	932	1,623	2,362
Kapokseed	—	—	169
Oilseed (nonspecified)	2,297	1,444	741
Total	71,436	67,680	66,751
Vegetable oils	9,588	7,919	14,963
Oilseed cake	29,884	31,448	28,067
Total	110,908	107,047	109,781

Direcão dos Servicos de Economia e Estatística Geral and unofficial estimates.

Improved producer prices and marketing facilities have combined to stimulate peanut production in Mozambique, and a good crop was harvested in 1963. There were no exports of peanuts last year, but exports of peanut oil at 3,333 tons almost trebled those of a year earlier and exports of peanut cake, at 4,041 tons, rose moderately.

Annual production of copra has held at about 65,000 tons in the last 3 years, but exports have fallen off. In contrast, exports of coconut oil have increased, reaching 9,663 tons in 1963—almost 3 times those of 1962. Exports of copra cake also rose substantially to 5,371 tons in 1963.

Cottonseed exports almost doubled, but exports of cottonseed oil and cottonseed cake, at 288 and 14,699 tons respectively, declined considerably.

Argentine Tung Oil Exports Decline

Argentine exports of tung oil in 1963 declined to 17,333 short tons, down slightly from the 18,102 tons exported in 1962 and about the same as the average for 1955-59.

Traditionally, the major destinations for exports have been the United States, the United Kingdom, and the Netherlands. In recent years, however, movements to the Netherlands and West Germany have gained markedly, while those to the United States and the United Kingdom have declined.

ARGENTINE EXPORTS OF TUNG OIL 1955-59 AVERAGE AND 1960-63

Country of destination	1955-59	1960	1961	1962	1963[1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
North America:					
Canada	659	—	—	220	220
United States	10,137	10,475	11,534	8,615	4,336
Others	2	7	—	—	90
Total	10,798	10,482	11,534	8,835	4,646
South America, total[2]	18	18	40	16	15
Europe:					
France	328	347	93	—	—
Germany, West	374	1,575	1,456	3,385	2,168
Italy	55	620	328	240	634
Netherlands	1,445	4,059	2,412	3,160	5,011
United Kingdom	4,277	4,236	1,762	2,180	3,160
Others	201	—	21	286	741
Total	6,680	10,837	6,072	9,251	11,714
Asia and Oceania, total	5	—	414	—	958
Grand total	17,501	21,337	18,060	18,102	17,333

[1] Preliminary. [2] Primarily Chile.

Compiled from *Comercio Exterior*, 1955-62 and *Frutos del País*, 1963.

Ireland Sells More Dairy Products

Ireland's trade in dairy products continued to increase in 1963. Butter exports, up 20 percent to 43 million pounds, were at a postwar peak. Shipments to the United Kingdom accounted for 83 percent of the total on 36 million pounds compared with 29 million a year ago. Sales to Italy rose from 1 million pounds to 4 million but those to other markets were down somewhat.

Exports of cheese were up 57 percent to 15 million pounds, of which 14 million went to the United Kingdom. The United States took 1 million pounds in both years.

Dried milk sales rose from 22 million pounds to a record 30 million pounds in 1963. Shipments to the United Kingdom increased by 2 million pounds, to 15 million, and those to Venezuela—the next market in importance—were up by 2 million, to 10 million. During 1963, Ireland effectively competed in several markets for dried milk sales, among them Trinidad, Spain, and Pakistan.

Exports of chocolate crumb, at 86 million pounds, were 4 percent less than a year ago. The United Kingdom, the heaviest purchaser, took 79 million pounds, down 4 million from 1962.

United Kingdom Increases Its Butter Quotas

The British Board of Trade recently announced authorization of butter imports totaling 29 million pounds during the months of May and June. This quantity will be in addition to the basic quota, which permits imports of 941 million pounds for the year beginning April 1, 1964.

The extra quantities were authorized for France, Norway, Sweden, and the lesser suppliers. The major exporters to the United Kingdom, New Zealand and Australia, are already supplying more than their quota. It is doubtful that Denmark, also, usually a principal exporter, will be able to ship any additional quantities to the United Kingdom, since it fell short of last year's quota by 11 million pounds. Furthermore, there are no sizable stocks available to help fill the new quota as was the case last year.

There has been a considerable decline in the United

Kingdom's butter production—from 133.5 million pounds to 96.8 million pounds—owing to a drop in the quantity of milk available for manufacture. Britain produces only about 10 percent of the butter it consumes. Unless imports can be increased, a shortage that might well result in a price rise is likely to occur. The government is anxious to maintain a stable price level.

U.S. Sells Swiss Less Poultry

Denmark moved ahead of the United States in 1963 as Switzerland's top supplier of dressed poultry. In a steady increase, Danish poultry has now won 34 percent of the expanding Swiss market against 4 percent in 1960. The U.S. share has fallen from 70 percent to 23.

SWISS IMPORTS OF DRESSED POULTRY, 1960-63

Country of origin	1960	1961	1962	1963
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
United States	11.8	12.2	10.9	5.1
Denmark	.7	1.1	4.3	7.5
Netherlands	3.6	3.0	3.2	4.2
France	.3	1.1	2.1	3.8
Others	.4	1.0	1.0	1.8
Total	16.8	18.4	21.5	22.4

Swiss Cigarette Output Sets New Record

Swiss cigarette output reached a record 15.3 billion pieces in 1963—a gain of 13.5 percent from the 13.5 billion produced in 1962. Filter-tipped brands accounted for 81 percent of total output last year, compared with 79 percent in 1962.

Production of Maryland-type cigarettes, at 7,162 million pieces, was up 3.7 percent from the 6,909 million produced in 1962. These, however, represented only 46.8 percent of total Swiss cigarette output in 1963 compared with 51.2 percent in 1962.

Cigarettes of the American-blend type represented 28.8 percent of total Swiss cigarette output last year, compared with 22 percent in 1962. The total of this type produced in 1963 was 4,400 million pieces, compared with 2,963 million in 1962.

SWISS CIGARETTE OUTPUT, 1962 AND 1963

Type	1962		1963	
	Quantity	Percent of total	Quantity	Percent of total
	Million pieces	*Percent*	*Million pieces*	*Percent*
Maryland	6,909	51.2	7,162	46.8
American blend	2,963	22.0	4,400	28.8
European blend	1,320	9.8	1,571	10.3
Oriental	1,143	8.5	1,041	6.8
Domestic (dark)	826	6.1	826	5.4
Virginia	318	2.4	299	1.9
Total	13,479	100.0	15,299	100.0

Austria's Cigarette Output Rises

Production of cigarettes in Austria totaled 9,711 million pieces in 1963—a gain of 6.5 percent from the 1962 total of 9,117 million. Two brands—Austria 3 and Smart Export—accounted for about 50 percent of sales in 1963. Austria 3 retails for the equivalent of 19.2 U.S. cents per pack of 20, and Smart Export, for 34.6 cents. Smart Export also is in demand in foreign countries, particularly in West Germany, Czechoslovakia, Poland, and Italy.

Output of cigars and cigarillos totaled 101 million pieces in 1963—4.3 percent more than the 96.8 million for 1962. Combined production of smoking mixtures, cigarette tobacco, chewing and snuff, however, dropped from 1,943,000 pounds in 1962 to 1,835,000 in 1963.

New Zealand's Leaf Tobacco Imports Declining

New Zealand's imports of unmanufactured tobacco in 1963 continued downward for the fourth consecutive year. Imports last year totaled 4.7 million pounds, compared with 6.0 million in 1962, 6.4 million in 1961, 6.5 million in 1960, and 7.5 million in 1959. Reduced imports from the United States have more than offset stepped-up takings from the Rhodesias-Nyasaland and the Republic of South Africa.

NEW ZEALAND'S IMPORTS OF UNMANUFACTURED TOBACCO, 1961-63

Origin	1961	1962	1963 [1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	5,175	4,443	3,113
Rhodesias-Nyasaland	1,011	1,234	1,315
South Africa, Rep. of	70	186	164
Indonesia	60	51	40
Turkey	14	18	26
Brazil	16	26	15
Philippines	7	8	10
Greece	8	18	(2)
Others	1	22	9
Total	6,362	6,006	4,692

[1] Preliminary; subject to revision. [2] Less than 500 pounds.

Imports of U.S. leaf last year, at 3.1 million pounds, were down 30 percent from the 1962 level of 4.4 million and were less than one-half the 1959 figure of 6.9 million. However, imports from the Rhodesias-Nyasaland, the Republic of South Africa, and several other small suppliers have risen substantially since the late 1950's. Taking from the Rhodesias-Nyasaland during 1963 totaled 1.3 million pounds, compared with 1.2 million in 1962 and only 27,000 in 1957. Imports from the Republic of South Africa dropped slightly, from 186,000 pounds in 1962 to 164,000, but were still substantially above the 70,000 for 1961.

Jordan's Cigarette Output Still Rising

Cigarette output in Jordan continued to rise through 1963. Production last year totaled 2,305,000 pounds, compared with 2,250,000 in 1962 and the 1955-59 annual average of 1,530,000.

Japan's Tobacco Exports Down

Japan's exports of unmanufactured tobacco in 1963, at 12.8 million pounds, were 24 percent below the 16.8 million shipped out in 1962. Burley leaf exports, at 6.2 million pounds, accounted for 48 percent of the total; native leaf, for 33 percent; and flue-cured, for 19 percent.

Shipments to West Germany totaled 5.7 million pounds in 1963, compared with 7.7 million in 1962. Of this total, 5.3 million pounds, were of burley tobacco. Other leading markets for Japanese burley last year were Tunisia, Hong Kong, and Belgium, which took 309,000, 267,000, and 265,000 pounds, respectively. Average export prices per pound for burley leaf in 1963 to major destinations (in terms of U.S. equivalents) were West Germany 68.3 cents, Tunisia 35.7, Hong Kong 31.6, and Belgium 37.8.

Japanese exports of flue-cured tobacco in 1963 totaled 2.4 million pounds, with the Ryukyus taking 64 percent of the total, at an average export price of 38.4 cents.

JAPAN'S EXPORTS OF UNMANUFACTURED TOBACCO, 1961-63

Destination	1961	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Germany, West	9,065	7,738	5,689
Ryukyu Islands	994	3,754	3,250
Egypt	170	1,380	1,333
Belgium	472	352	728
Norway	488	560	635
Tunisia	700	470	545
Netherlands	1,096	280	346
Hong Kong	452	437	267
Soviet Union	—	1,764	—
Others	66	104	—
Total	13,503	16,839	12,793

Japan Uses More U.S. Tobacco

Japanese tobacco factories used 22.5 million pounds of U.S. leaf tobacco in 1963—18 percent above the 19.1 million of 1962, and 47 percent above 1961's 15.3 million.

Sales of domestic-made cigarettes in Japan in 1963 totaled 148.7 billion pieces—up 7 percent from those in 1962. Sales of brands containing U.S. tobacco climbed to 51.9 billion pieces, from 41 billion. Of the 51.9 billion sold in 1963, Hi-Lite, which contains 7 percent U.S. flue-cured and 3 percent U.S. burley, accounted for 23.2 billion, and Peace, 25 percent U.S. flue-cured, accounted for 19.9 billion. The remainder consisted of less-important brands—Hope, Pearl, Fuji, AAA, and Hikari.

SALES OF MAJOR BRANDS OF CIGARETTES BY JAPANESE TOBACCO MONOPOLY TO RETAIL SHOPS, 1961-63

Brand	1961	1962	1963
	Million pieces	*Million pieces*	*Million pieces*
Hi-Lite (filter-tipped) [1]	7,222	13,483	23,201
Peace [1]	17,262	19,229	19,937
AAA [1]	3,189	2,912	2,866
Hope (filter-tipped) [1]	1,301	2,081	2,603
Hikari [1]	1,871	1,045	1,024
Pearl [1]	1,971	1,930	1,910
Fuji [1]	274	294	310
Ikoi	34,704	37,679	38,411
Midori	4,425	3,909	3,548
Shinsei	52,562	50,601	49,290
Golden Bat	6,156	5,793	5,409
Olympias [2]	—	—	218
Total	130,937	138,956	148,727

[1] Contains U.S. tobacco. [2] Placed on sale in March 1963.

Sudan Expanding Its Sugar Industry

To reduce foreign exchange expenditures and diversify its agriculture, Sudan is attempting to expand production of sugar. Currently, it has to import a large part of the consumption requirements of about 155,000 tons per year.

Early in 1963, the country's first sugar milling factory at Guneid began operations, and another one at Khashm el Girba is now being built—each with a designed capacity of 55,000-66,000 short tons. Sudan's sugar output in 1963-64 was close to 30,000 short tons (raw value).

Kenya Imposes Export Tax on Coffee

The Government of Kenya on May 1 began levying an export tax on coffee of £20 per long ton, or 2.5 cents per pound. Production of coffee in Kenya in 1963-64 is estimated at 650,000 bags (132.3 lb.), slightly above that of the preceding season.

Exports of green coffee in the year ending September 30, 1963, totaled 612,000 bags, of which 40 percent went to West Germany and 19 percent to traditional Commonwealth markets. Shipments to the United States for the same period amounted to 43,671 bags.

Coffee Availabilities Increased by ICA

Action taken by the Council of the International Coffee Agreement at its recent meetings in London will make available to world markets an estimated 725,000 bags (132.3 lb.) of coffee in export quota shortfalls during the fourth quarter of the coffee year that ends September 30, 1964. These shortfalls—quantities by which some countries will fall short of their 1963-64 export quota—will be distributed among producer members who still have surpluses.

The Council also approved an export waiver of 200,000 bags for El Salvador for the balance of 1963-64 and made an upward adjustment in Ethiopia's quota.

Canned Fruit and Juice Prices in Netherlands

Importers' selling prices in the Netherlands (import duties and taxes paid) for selected canned fruit and juices in May 1963, January 1964, and April 1964 are compared as follows:

Type and quality	Size of can	Price per dozen units: May 1963	January 1964	April 1964	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricot halves:					
Choice	2½	(1)	3.88	3.91	Greece
Do.	2½	(1)	3.81	3.91	South Africa
Do.	15 oz.	(1)	(1)	1.99	Spain
Standard	303	2.98	2.82	2.75	U.S.
Peaches:					
Halves, choice	2½	4.04	4.51	4.48	U.S.
Quarters, white	2½	(1)	(1)	(1)	Japan
Slices, standard	15½ oz.	2.35	2.45	2.35	South Africa
Fruit cocktail:					
Choice	2½	4.51	5.40	5.60	U.S.
Do.	303	2.95	3.38	3.35	U.S.
Fruit salad	15½ oz.	(1)	2.82	2.82	Spain
Pineapple:					
Slices, fancy	2½	5.30	(1)	4.64	U.S.
Slices, choice	2½	4.18	(1)	4.48	U.S.
Pieces, choice	30 oz.	3.41	3.48	3.48	Taiwan
CANNED JUICES					
Orange, unsweetened	2	2.49	2.65	2.65	U.S.
Do.	2	2.25	2.42	2.12	Greece
Grapefruit, sweetened	46 oz.	4.81	5.64	6.10	U.S.
Pineapple, fancy	2	1.72	2.06	2.15	U.S.

[1] Not quoted.

New Zealand Hops Crop Small

New Zealand's 1964 hops harvest—estimated at 630,000 pounds—is the smallest one since 543,000 pounds were produced in 1946. The 1964 crop is about 30,000 pounds below the short 1963 crop and one-third smaller than the average harvest in 1956-60.

The small crops of the past two seasons were the result of acreage and yields both far below average. Normal brewery requirements for hops in New Zealand are about 800,000 pounds. As a result of the two consecutive short crops, hops will have to be imported to meet these requirements.

Canned Fruit and Juice Prices in London

Selling prices in London (landed, duty paid) of selected canned fruits and juices in April 1963, January 1964, and April 1964 are compared in the following table:

Type and quality	Size of can	Price per dozen units: April 1963	January 1964	April 1964	Origin
CANNED FRUIT		U.S. dol.	U.S. dol.	U.S. dol.	
Apricots, whole, unpeeled:					
Choice	303	2.54	2.54	2.52	U.S.
Halves:					
Choice	2½	(1)	3.26	3.32	Australia
Do.	2½	3.20	2.90	3.08	South Africa
Do.	2½	3.72	(1)	4.22	U.S.
Fancy	2½	(1)	3.12	3.22	South Africa
In syrup	15 oz.	(1)	1.50	1.50	Spain
Peaches, halves:					
Choice	2½	3.22	3.26	3.32	Australia
Do.	2½	3.18	2.94	3.18	South Africa
Do.	2½	3.42	3.64	3.72	U.S.
Fancy	2½	(1)	3.46	3.54	Australia
Do.	2½	(1)	3.08	3.32	South Africa
Standard	2½	2.80	(1)	3.14	U.S.
Pears, halves:					
Choice	2½	3.64	3.46	3.46	Australia
Do.	2½	3.60	3.22	3.32	South Africa
Fancy	2½	(1)	3.68	3.68	Australia
Do.	2½	(1)	3.36	3.46	South Africa
In syrup	15 oz.	1.89	2.17	2.03	Italy
Fruit cocktail:					
Choice	303	2.36	2.68	2.76	U.S.
Do.	15 oz.	2.05	2.00	2.00	Spain
Do.	8 oz.	1.34	1.54	1.60	U.S.
Grapefruit sections:					
Fancy	303	(1)	2.80	2.80	U.S.
No. 2	20 oz.	2.78	2.73	2.42	Israel
Quality not specified	20 oz.	(1)	2.66	2.57	West Indies
Pineapple slices:					
Fancy	16 oz.	(1)	(1)	1.78	South Africa
Standard, spiral	16 oz.	1.55	1.58	1.70	Malaya
CANNED JUICE					
Single strength:					
Orange	19 oz.	(1)	1.94	2.00	Israel
Grapefruit	19 oz.	(1)	1.78	1.86	Israel
Do.	No. 2	3.43	(1)	2.66	U.S.

[1] Not quoted.

Chile's 1964 Prune Pack About Average

Chilean trade sources have estimated the 1964 prune pack at 5,400 short tons—200 tons below the average 1957-61 pack and 100 tons short of the 1963 crop.

Exports in 1964 are expected to about equal the 1963 level of 2,851 tons, most of which went to Western Europe. West Germany became the leading market in 1963, taking one-third of the total. The United Kingdom, though it dropped from first place, still ran a close second with 27 percent. Denmark and the Netherlands were also important European buyers, taking 18 and 14 percent respectively.

CHILE'S EXPORTS OF DRIED PRUNES, 1960-63

Destination	1960	1961	1962	1963
	Short tons	Short tons	Short tons	Short tons
Europe:				
Denmark	948	608	760	499
Finland	138	32	—	—
Germany, West	557	399	529	938
Italy	164	71	33	37
Netherlands	550	231	343	390
United Kingdom	772	1,580	1,376	757
Others	34	134	25	21
Total Europe	3,163	3,055	3,066	2,642
Brazil	—	—	4	36
Peru	51	287	131	107
Others	47	15	110	66
Grand total	3,261	3,357	3,311	2,851

Hamburg's Prices on Canned Fruit and Juice

Importers' selling prices in Hamburg, Germany, for selected canned fruits and juices in April 1963, January 1964, and April 1964 are compared as follows:

Type and quality	Size of can	Price per dozen units: April 1963	January 1964	April 1964	Origin
CANNED FRUIT		U.S. dol.	U.S. dol.	U.S. dol.	
Apricot halves:					
Choice	2½	3.87	3.84	3.72	Greece
Do.	2½	3.69	3.78	3.81	South Africa
Do.	2½	(1)	3.42	3.60	Spain
Peaches, halves:					
Choice	2½	3.69	4.50	4.83	U.S.
Do.	2½	(1)	(1)	4.08	Argentina
Do.	10	13.80	16.95	17.10	U.S.
Do.	10	(1)	12.72	10.38	South Africa
Pears, halves:					
Choice	2½	4.12	4.20	4.29	Australia
Do.	2½	4.48	4.17	4.17	Italy
In syrup	2½	(1)	(1)	3.00	Czechoslovakia
Fruit salad:					
Choice	15 oz.	2.83	2.55	2.56	Spain
Do.	15 oz.	3.12	3.30	3.09	Japan
Choice	2½	7.50	8.04	8.16	U.S.
Fruit cocktail:					
Choice	2½	4.90	5.34	5.28	U.S.
Pineapple:					
Slices, fancy	2½	4.54	4.77	4.77	U.S.
Slices, choice	2½	3.72	3.75	3.82	Philippines
Do.	2½	3.45	3.48	3.48	South Africa
Do.	2	(1)	(1)	2.50	Taiwan
Do.	1 tall	2.15	2.80	2.16	Malaya
Do.	10	13.65	13.80	14.10	Kenya
Do.	10	13.65	13.80	13.14	South Africa
Crushed, choice	10	(1)	12.90	12.09	U.S.
Do.	10	8.04	8.28	9.33	South Africa
CANNED JUICE					
Orange, unsweetened	2	2.09	1.98	1.94	Greece
Do.	2	2.24	2.16	2.06	Israel
Do.	2	2.24	2.01	1.94	South Africa
Do.	½ Din[2]	1.75	1.68	1.68	U.S.
Grapefruit:					
Unsweetened	46 oz.	4.78	5.58	5.58	U.S.
Do.	2	(1)	2.13	2.12	South Africa
Pineapple:					
Fancy	46 oz.	(1)	3.72	3.78	U.S.
Do.	2	1.66	1.62	1.86	U.S.
Do.	2	1.60	1.64	1.65	South Africa

[1] Not quoted. [2] Net content 390 grams.

Favorable Cotton Season in Japan

Cotton mill activity in Japan is recovering from the recession levels of last year. The spindle curtailment rate reportedly will be reduced in May from the present 28.5 percent to 26.5 percent.

Mill consumption is expected to hold up well during the summer months, and yarn prices are strong. However, labor shortages and continued rising costs may be reflected by increased difficulty in maintaining overseas markets for textiles.

Japan's cotton imports in the full 1962-63 season were up to 3,070,000 bales from 2,843,000 in 1961-62. Imports from the United States, however, were down, to 889,000 bales from 1,103,000 in 1961-62.

Raw cotton imports from August through February of the current season totaled 1,776,000 bales, of which 617,000 or 35 percent were U.S. cotton. This 60 percent increase in imports from the United States resulted primarily from smaller availabilities of Argentine, Brazilian, and Pakistani growths, along with larger total purchases and competitive U.S. prices.

Quantities imported from major sources other than the

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United States from August 1963 through February of 1964, with comparable 1962-63 figures in parentheses, were Mexico 558,000 bales (554,000), El Salvador 112,000 (111,000), Brazil 99,000 (166,000), India 89,000 (101,000), Egypt 61,000 (23,000), Pakistan 53,000 (94,000), Sudan 49,000 (26,000), Nicaragua 47,000 (24,000), Peru 32,000 (21,000), Guatemala 14,000 (11,000), Argentina 13,000 (37,000), and the USSR 11,000 (4).

Cotton consumption in 1963-64 is expected to approach 3,200,000 bales—6 percent above the 3,010,000 bales used in the 1962-63 season. Stocks probably will not fall below the 2¾ months' supply of 710,000 bales by July 31.

In the 1963 season, the United States extended a total of $97 million in credit to Japan for the purchase of U.S. cotton. Included are $20 million in CCC short-term credit (12 months), $64 million in Export-Import bank credit, and $13 million in CCC credit to the Mitsubishi Shoji Company.

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